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DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

7 CFR Part 319

[Docket No. APHIS-2014-0028]

RIN 0579-AD97

Importation of Fresh Peppers from Peru into the Continental United States and the Territories

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: We are amending the fruits and vegetables regulations to allow the importation of fresh peppers into the continental United States and the Territories from Peru. As a condition of entry, the fruit will have to be produced in accordance with a systems approach that includes requirements for fruit fly trapping, pre-harvest inspections, production sites, and packinghouse procedures designed to exclude quarantine pests. The fruit will also be required to be imported in commercial consignments and accompanied by a phytosanitary certificate issued by the national plant protection organization of Peru with an additional declaration stating that the consignment was produced in accordance with the requirements of the systems approach. This action allows for the importation of untreated fresh peppers from Peru while continuing to provide protection against the introduction of plant pests into the continental United States and the Territories.

DATES: Effective [Insert date 30 days after date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Mr. George Balady, Senior Regulatory Policy Specialist, Plant Health Programs, PPQ, APHIS, 4700 River Road Unit 133, Riverdale, MD 20737; (301) 851-2240.

SUPPLEMENTARY INFORMATION:

Background

The regulations in “Subpart–Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-72, referred to below as the regulations) prohibit or restrict the importation of fruits and vegetables into the United States from certain parts of the world to prevent the introduction and dissemination of plant pests that are new to or not widely distributed within the United States.

On April 24, 2015, we published in the Federal Register (80 FR 22934-22938, Docket No. APHIS-2014-0028) a proposal¹ to amend the regulations in order to allow the common chili pepper (Capsicum annuum L.), aji pepper (Capsicum baccatum L.), habanero chili (Capsicum chinense Jacq.), Thai pepper (Capsicum frutescens L.), and rocoto (Capsicum pubescens Ruiz & Pav.) (hereafter we refer to these species as “fresh peppers”) to be imported into the continental United States and the Territories (the Commonwealth of Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, and any other territory or possession of the United States).

We prepared a pest risk assessment (PRA) and a risk management document (RMD) to accompany the proposed rule. Based on the conclusions of the PRA and the RMD, we proposed to allow the importation of fresh peppers from Peru into the continental United States and the Territories, provided that the fresh peppers were produced in accordance with a systems

¹ To view the proposed rule, supporting documents, and the comments we received, go to <http://www.regulations.gov/#!docketDetail;D=APHIS-2014-0028>.

approach consisting of the following requirements: Provision of an operational workplan to the Animal and Plant Health Inspection Service (APHIS) by the national plant protection organization (NPPO) of Peru; importation in commercial consignments only; fresh peppers grown in a pest-free, pest-exclusionary structure approved by and registered with the Peruvian NPPO; inspection of registered production sites prior to harvest for the fruit boring moth, Neoleucinodes elegantalis (Guenée), and Puccinia pampeana Speg., the pathogenic fungus that causes pepper and green pepper rust, by the Peruvian NPPO or its approved designee; trapping both within and around the production site for the South American fruit fly (Anastrepha fraterculus (Wiedemann)) and the Mediterranean fruit fly (Medfly, Ceratitis capitata (Wiedemann)); packinghouse procedures including registration and insect-proof cartons, containers, or coverings; and issuance of a phytosanitary certificate.

We also proposed to add a definition for continental United States to the regulations in § 319.56-2, as it is used throughout the regulations but not defined.

We solicited comments concerning our proposal for 60 days ending June 23, 2015. We received 23 comments by that date. They were from trade organizations, the Peruvian NPPO, consumer groups, ports, the Peruvian embassy, and private citizens. All comments except one were supportive of the proposed action. The remaining comment is discussed below.

The commenter said that APHIS is dependent on local authorities in Peru to enforce the requirements set forth in the regulations and the operational workplan. The commenter cited the 2015 Index of Economic Freedom issued by The Heritage Foundation² as proof that corruption within Peru will most certainly occur in connection with the export of fresh peppers.

² The 2015 Index of Economic Freedom may be viewed here: <http://www.heritage.org/index/country/peru>.

Like the United States, Peru is a signatory to the World Trade Organization's Agreement on Sanitary and Phytosanitary Measures (SPS Agreement). As such, it has agreed to respect the phytosanitary measures the United States imposes on the importation of plants and plant products from Peru when the United States demonstrates the need to impose these measures in order to protect plant health within the United States. The PRA that accompanied the proposed rule provided evidence of such a need. That being said, as we mentioned in the proposed rule, APHIS will monitor and audit Peru's implementation of the systems approach for the importation of fresh peppers into the continental United States and the Territories. If we determine that the systems approach has not been fully implemented or maintained, we will take appropriate remedial action to ensure that the importation of fresh peppers from Peru does not result in the dissemination of plant pests within the United States.

The commenter argued that the interests of pepper producers in the United States need to be given the same consideration as U.S. consumers or Peruvian producers. The commenter said that, therefore, APHIS needs to ensure that U.S. pepper producers would truly be marginally affected. To achieve this end, the commenter suggested that APHIS limit the importation of fresh peppers from Peru to domestic out-of-season growing months.

APHIS bases market access on potential pest risk and our capacity to mitigate that risk. APHIS may implement different entry requirements for a commodity based upon port of entry and time of year in order to mitigate the risk posed by a pest, but APHIS does not restrict market access for the purposes of eliminating market competition.

We prepared an initial regulatory flexibility analysis to assess the potential economic impacts associated with the proposed rule. The commenter stated that the initial regulatory flexibility analysis did not fully account for the impacts to domestic producers. The commenter

said that, in addition to reduced sales, domestic pepper producers are at a financial disadvantage due to the fact that reductions in crop premium insurance for fresh peppers as detailed in the Agricultural Act of 2014³ could potentially lead to further financial losses in the event that a portion of a producer's pepper crop was destroyed and the remaining crop sold at a lower price due to the increased availability of imported peppers in the marketplace.

The purpose of the economic analysis was to examine whether or not the rule will have a significant economic impact on a substantial number of small entities. Despite the other pressures on the financial viability of domestic pepper producers cited by the commenter, any additional impact associated with this rule is expected to be very small. An increase in the U.S. fresh pepper supply of less than 0.03 percent is unlikely to have a significant impact on domestic fresh pepper prices and therefore on domestic producers.

Finally, the commenter maintained that the United States should examine any importation requests from Peru in light of what the commenter categorized as unfair taxation of U.S. biodiesel in that country.

We disagree. Under the authority of the Plant Protection Act (7 U.S.C. 7701 et seq.), APHIS may prohibit or restrict the entry of plants and plant products into the United States in order to prevent the introduction of plant pests or noxious weeds. Trade considerations such as those suggested by the commenter do not factor into such determinations.

Therefore, for the reasons given in the proposed rule and in this document, we are adopting the proposed rule as a final rule, without change.

Executive Order 12866 and Regulatory Flexibility Act

³ You may view the Agricultural Act of 2014 on the Internet at <https://agriculture.house.gov/bill/agricultural-act-2014>.

This final rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

In accordance with the Regulatory Flexibility Act, we have analyzed the potential economic effects of this action on small entities. The analysis is summarized below. Copies of the full analysis are available on the Regulations.gov Web site (see footnote 1 in this document for a link to Regulations.gov) or by contacting the person listed under FOR FURTHER INFORMATION CONTACT.

The rule will amend the regulations to allow the importation of fresh peppers from Peru into the continental United States and the Territories when a systems approach to pest risk mitigation is used to prevent the introduction of quarantine pests. The systems approach will integrate prescribed mitigation measures that cumulatively achieve the appropriate level of phytosanitary protection.

Peru produced an average of about 9,600 metric tons (MT) of fresh peppers annually from 2005 through 2011. From 2010 to 2014, fresh pepper exports from Peru averaged 356 MT annually, the equivalent of about 4 percent of its annual fresh pepper production.

Based on Peru's pepper production area and yields, APHIS estimates in the pest risk assessment for this rule that no more than 22 containers (440 MT) of fresh peppers will be imported from Peru into the United States annually. This quantity is the equivalent of less than 0.03 percent of annual U.S. fresh pepper consumption.

U.S. pepper producers and current foreign suppliers will face increased competition because of the Peruvian exports. However, economic effects of the rule will be minimal, given the very small quantity of pepper expected to be imported from Peru.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12988

This final rule allows fresh peppers to be imported into the continental United States and the Territories from Peru. State and local laws and regulations regarding fresh peppers imported under this rule would be preempted while the fruit is in foreign commerce. Fresh vegetables are generally imported for immediate distribution and sale to the consuming public and would remain in foreign commerce until sold to the ultimate consumer. The question of when foreign commerce ceases in other cases must be addressed on a case-by-case basis. No retroactive effect will be given to this rule, and this rule will not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

In accordance with section 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the information collection or recordkeeping requirements included in this final rule, which were filed under 0579-0434, have been submitted for approval to the Office of Management and Budget (OMB). When OMB notifies us of its decision, if approval is denied, we will publish a document in the Federal Register providing notice of what action we plan to take.

E-Government Act Compliance

The Animal and Plant Health Inspection Service is committed to compliance with the E-Government Act to promote the use of the Internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and

for other purposes. For information pertinent to E-Government Act compliance related to this final rule, please contact Ms. Kimberly Hardy, APHIS' Information Collection Coordinator, at (301) 851-2727.

List of Subjects in 7 CFR Part 319

Coffee, Cotton, Fruits, Imports, Logs, Nursery stock, Plant diseases and pests, Quarantine, Reporting and recordkeeping requirements, Rice, Vegetables.

Accordingly, we are amending 7 CFR part 319 as follows:

PART 319–FOREIGN QUARANTINE NOTICES

1. The authority citation for part 319 continues to read as follows:

Authority: 7 U.S.C. 450, 7701-7772, and 7781-7786; 21 U.S.C. 136 and 136a; 7 CFR 2.22, 2.80, and 371.3.

2. Section 319.56-2 is amended by adding in alphabetical order a definition of continental United States to read as follows:

§ 319.56-2 Definitions.

* * * * *

Continental United States. The 48 contiguous States, Alaska, and the District of Columbia.

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3. Section 319.56-73 is added to read as follows:

§ 319.56-73 Peppers From Peru.

Fresh peppers (Capsicum annum L., Capsicum baccatum L., Capsicum chinense Jacq., Capsicum frutescens L., and Capsicum pubescens Ruiz & Pav.) may be imported into the continental United States and its Territories only under the conditions described in this section.

These conditions are designed to prevent the introduction of the following quarantine pests:

Anastrepha fraterculus (Wiedemann), South American fruit fly; Ceratitis capitata (Wiedemann), Mediterranean fruit fly; Neoleucinodes elegantalis (Guenée), a fruit boring moth; and Puccinia pampeana Speg., a pathogenic fungus that causes pepper and green pepper rust.

(a) Operational workplan. The national plant protection organization (NPPO) of Peru must provide an operational workplan to APHIS that details the activities that the NPPO of Peru will, subject to APHIS' approval of the workplan, carry out to meet the requirements of this section. The operational workplan must include and describe the quarantine pest survey intervals and other specific requirements as set forth in this section.

(b) Commercial consignments. Peppers from Peru may be imported in commercial consignments only.

(c) Production site requirements. (1) Pepper production sites must consist of pest-exclusionary structures, which must have double self-closing doors and have all other windows, openings, and vents covered with 1.6 mm (or less) screening.

(2) All production sites that participate in the export program must be registered with the Peruvian NPPO.

(3) The production sites must be inspected prior to harvest for Neoleucinodes elegantalis (Guenée) and Puccinia pampeana Speg. If either of these pests, or other quarantine pests, are found to be generally infesting or infecting the production site, the NPPO of Peru will immediately prohibit that production site from exporting peppers to the continental United States and its Territories and notify APHIS of this action. The prohibition will remain in effect until the Peruvian NPPO and APHIS determine that the pest risk has been mitigated.

(4) The production sites must contain traps for the detection of Anastrepha fraterculus (Wiedemann) and Ceratitis capitata (Wiedemann) both within and around the structures. Internal traps must be set for the duration of the time the production site is used to produce peppers for export to the continental United States or the Territories. External traps must be set for at least 2 months before export and trapping must continue to the end of the harvest as follows:

(i) Traps with an approved protein bait must be placed inside the production site at a density of four traps per hectare, with a minimum of two traps per structure. Traps must be serviced once every 7 days.

(ii) If a single Anastrepha fraterculus (Wiedemann) or Ceratitis capitata (Wiedemann) is detected inside a registered production site or in a consignment, the registered production site will lose its ability to export peppers to the continental United States or its Territories until APHIS and the Peruvian NPPO mutually determine that risk mitigation is achieved.

(iii) Traps with an approved protein bait must be placed inside a buffer area 500 meters wide around the registered production site, at a density of 1 trap per 10 hectares and a minimum of 10 traps. These traps must be checked at least once every 7 days. At least one of these traps must be near the production site.

(iv) Capture of 0.7 or more Anastrepha fraterculus (Wiedemann) or Ceratitis capitata (Wiedemann) per trap per week will delay or suspend the harvest, depending on whether harvest has begun, for consignments of peppers from that registered production site until APHIS and the Peruvian NPPO can agree that the pest risk has been mitigated.

(v) The Peruvian NPPO must maintain records of trap placement, checking of traps, and any quarantine pest captures. The Peruvian NPPO must maintain an APHIS-approved quality

control program to monitor or audit the trapping program. The trapping records must be maintained for APHIS review.

(d) Packinghouse procedures. (1) All packinghouses that participate in the export program must be registered with the Peruvian NPPO.

(2) The peppers must be packed within 24 hours of harvest in a pest-exclusionary packinghouse. The peppers must be safeguarded by an insect-proof mesh screen or plastic tarpaulin while in transit to the packinghouse and while awaiting packing. The peppers must be packed in insect-proof cartons or containers, or covered with insect-proof mesh or plastic tarpaulin, for transit into the continental United States or its Territories. These safeguards must remain intact until arrival in the continental United States or its Territories or the consignment will be denied entry into the continental United States or its Territories.

(3) During the time the packinghouse is in use for exporting peppers to the continental United States or its Territories, the packinghouse may only accept peppers from registered approved production sites.

(e) Phytosanitary certificate. Each consignment of peppers must be accompanied by a phytosanitary certificate of inspection issued by the Peruvian NPPO stating that the fruit in the consignment has been produced in accordance with the requirements of the systems approach in 7 CFR 319.56-73.

(Approved by the Office of Management and Budget under control number 0579-0434)

Done in Washington, DC, this 9th day of September 2015 .

Michael C. Gregoire

Associate Administrator, Animal and Plant Health Inspection Service.

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